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# California State Senate

SENATOR  
**DARRELL STEINBERG**  
PRESIDENT PRO TEMPORE  
SIXTH SENATE DISTRICT

RULES COMMITTEE  
CHAIR  
PUBLIC SAFETY



January 22, 2013

Fred Klass, Director  
California Department of General Services  
707 Third Street  
West Sacramento, CA 95605

Dear Director Klass:

I read with distress recent media accounts reporting that Steve Ballmer, CEO of Microsoft Corporation, is actively engaged in discussions and may now have a general agreement to purchase NBA's Sacramento Kings -- a franchise which has generated significant jobs and revenue for both our region and the State of California for 27 years -- and move it to another state.

If true, I am troubled that a company and a CEO that has for so long enjoyed a prosperous and beneficial working relationship with the State of California and its taxpayers would blatantly engage in activities which are clearly and measurably detrimental to our State's job and revenue base -- not to mention use profits earned through business with our State to appropriate a California-based asset. As a legislative leader with direct budget authority, I'm obviously concerned about what impact these events might have on state and regional revenue, as well as our recovering economy.

I would appreciate your help -- as the director of the department in charge of most state procurement -- in obtaining some information that in light of these reports is certainly relevant to California taxpayers, particularly those in the Sacramento region.

Specifically:

- How many technology contracts and at what total cost to state taxpayers does Microsoft Corporation currently have with the State of California?
- In total dollars, how much has the State of California paid Microsoft Corporation for its products and services over the last 10 years?
- Can you send my office terms of contracts and representations made by Microsoft Corporation regarding their contracts with the State?
- To your knowledge, does any other state in the United States pay more annually to Microsoft Corporation for products and services than the State of California?
- What is Microsoft Corporation's record of performance with the State of California?

As a state legislator, I am well aware that I have no direct role in the day-to-day management of the State's technology procurement processes, but I cannot stand idly by while a prominent out-of-state company that has significantly profited from business with the State of California actively attempts to acquire and remove one of my State and my region's leading private assets.

Thank you in advance for your time and assistance in responding to this information request. Please do not hesitate to contact my office to discuss this issue in more detail.

Sincerely,

A handwritten signature in black ink, reading "Darrell Steinberg". The signature is fluid and cursive, with a large, stylized "S" at the end.

**DARRELL STEINBERG**  
Senate President pro Tempore  
State of California  
6<sup>th</sup> Senate District

cc: Governor Edmund G. Brown, Jr.  
Secretary Anna Caballero, State and Consumer Services Agency